



*United States Attorney
Southern District of New York*

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**YONKERS TAX PREPARER PLEADS GUILTY TO FAKE DEDUCTIONS
AFTER A CLIENT TURNED OUT TO BE AN IRS UNDERCOVER AGENT**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced the guilty plea today in White Plains federal court of tax return preparer DAVE C. BROWN who prepared tax returns for his clients that contained hundreds of thousands of dollars of inflated and fictitious deductions until the day an IRS undercover agent brought his paperwork in.

BROWN, 52, who operated Dade Financial Service in Yonkers, New York, admitted that he prepared false personal income tax returns for clients by including false expenses and deductions, and thereby fraudulently reducing the client's tax liability and/or fraudulently generating fraudulent refunds.

According to the Information in which BROWN was charged, he created numerous false tax returns for clients during the tax years 1999 through 2002. The Information further charges that in April of 2003, a Special Agent with the Internal Revenue Service acting in an undercover capacity visited BROWN at his Yonkers office and sought his assistance in preparing a tax return. As a result of that secretly recorded meeting, BROWN prepared a false

tax return for the undercover agent in which BROWN unilaterally created fictitious itemized deductions totaling several thousand dollars.

"This case illustrates the damage that unscrupulous tax preparers can do by preparing large numbers of fraudulent returns, even if any single return results in the theft of a relatively small amount from the Treasury. It also demonstrates the Government's commitment to prosecuting such crimes," Mr. GARCIA said.

As a result of his guilty plea before Magistrate Judge LISA MARGARET SMITH, BROWN faces a maximum term of three years in prison for aiding and assisting in the preparation of false returns. He also faces a fine of \$250,000 or twice the gross gain or loss resulting from the crime, and imposition of the costs of prosecution. Sentencing is scheduled for December 20, 2005, at 9:30 a.m. before United States District Judge CHARLES L. BRIEANT.

Mr. GARCIA praised the IRS for its efforts in this investigation.

Assistant United States Attorney PERRY A. CARBONE is in charge of the prosecution.

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